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Agenda Item 3c

December 13, 2011

TO: MEMBERS OF THE RISK MANAGEMENT COMMITTEE

- I. **SUBJECT:** Risk Assessment Management Plan
- II. **PROGRAM:** Enterprise
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

In September 2010, the CalPERS Board of Administration created the Office of Enterprise Risk Management (OERM), combining the functions of Enterprise Compliance, Information Security, and Business Continuity with a new Risk Intelligence Function. This office has primary responsibility for leading the organization in the identification, assessment and monitoring of enterprise risks, and for developing a risk-intelligent culture among staff and management.

Toward that end, the OERM will provide annually a report on the risk assessments planned for the fiscal year. This risk assessment plan (Attachment 1) is intended to align the risk assessment process across the OERM divisions and ensure that areas with a high degree of risk receive adequate assistance in measuring and monitoring that risk. In addition, the plan will help the OERM provide reassurance to the Board that management's mitigation strategies are in place and having the intended effect.

Major activities for the remainder of Fiscal Year 2011-12 include an assessment of my|CalPERS information security risks, analysis of health and pension reform impacts on CalPERS, and a review of form 700 forms for conflict of interest risks. Portions of this plan may be supplemented or modified to address risk events that happen over the remainder of the year.

V. **STRATEGIC PLAN:**

This item is part of the Strategic Plan, Enterprise Priority 3 – Building Internal Strength. Specifically, it supports objective 3, to institute an Enterprise Risk Management function to effectively evaluate, monitor, and manage risk across the organization.

VI. RESULTS/COSTS:

N/A

LARRY JENSEN
Chief Risk Officer
Office of Enterprise Risk Management

RUSSELL G. FONG
Acting Chief Financial Officer

Attachments